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MEDIA ALERT

Three Utah Investors lose over \$550, 000 in Computer Store Scam
"Company spends victims' money on country club dues instead"

SALT LAKE CITY, Utah – The Division of Securities announced today that a Default Order has been entered against Video Projects, Inc. for defrauding three Utah investors of \$550,000 and violating the *Utah Securities Act*. The Division alleges that Video Projects used investor money for personal expenses, made misleading statements about risk factors associated with the investment in Video Projects, and did not disclose prior civil judgments for \$18,165 or two failed loans for \$2.5 million. Video Projects was hereby ordered to pay the Division of Securities \$250,000 in fines.

According to the Default Order, Video Projects convinced three Utah investors to invest over \$550,000 in the company between November 1998 and December 1999. Investors were told the company needed to raise capital for its computer training business because the owner's money was tied up in real estate. During that time period, Video Projects produced financial statements showing the net worth of the owner exceeded \$16 million. In exchange for their deposits, investors were given promissory notes with the claim that their funds would help the company go public through an initial public offering (IPO). The victims were promised a return of 10-11% on their initial investments guaranteed through the owner's real estate investments. Instead of using the investor's deposits to take Video Projects public, their money was used to pay off credit card bills, country club dues, payroll and mortgage payments on Video Project properties. To date, none of the three victims have received any of their initial investments back from Video Projects. The Division's enforcement case is still pending against Dike E. Williams, President of Video Projects.



Investors are urged to contact the Division of Securities to make sure anyone offering investments is licensed, by calling (801) 530.6600, toll free at 1.800.721.7233 or logging on to www.securities.utah.gov.

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